



UMDONI MUNICIPALITY

THE J.E.W.E.L OF THE SOUTH COAST

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET

2018/2019 FINANCIAL YEAR

TABLED FOR ADOPTION

30th MAY 2018



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1.1 MAYORS REPORT

The 2018/19 budget of Umdoni Municipality has been prepared in line with the Integrated Development Plan (IDP), National development plan (NDP) and MFMA relevant circulars issued for further guidance. The development priorities as outlined in the IDP and NDP have been taken into consideration. The 2018/2019 budget has been prepared during trying times where “South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient.”... MFMA Circular 91. Umdoni Municipality was in no way exempt to the harsh economic realities associated with the recession.

However, the municipality has taken a constructive approach in the new financial year. New priorities have been identified and previous priorities have been further emphasised.

A significant portion of the budget has been allocated towards the rural roads, urban road networks, community facilities and recreational facilities. The budget was fundamentally prepared around these main priorities. These areas had been given the attention after carefully analysis of the state of our infrastructure, which is irrefutable deteriorating and also considered the geographical space of the municipality as the tourist attraction. To further depict the capital budget; major allocations have been made as follows;

- 40.21 % allocated towards Infrastructure
- 28.92% allocated towards Community Facilities
- 11.43% allocated towards Sport and Recreation Facilities
- 7.73% % allocated towards Transport Assets
- 7.64% allocated towards Machinery and Equipment

The operational budget has been prepared taking into cognisance of the current economic conditions as well historical performance of the municipality. Tariff increases have been effected but limited to inflation rates (CPIX) at 5.3% for 2018/19. The same rate has been applied across the operating expenditure categories (where the incremental budgeting approach was necessary) except for Employee related costs and the Remuneration of Councillors. In overview, the operating expenditure has increased by 3.13% and the total income has decreased by 4.40% when compared with the recently adopted Adjustment Budget. Income was budgeted more realistically and reflects the municipality’s ability to collect this revenue.



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BUDGET DOCUMENTATION FOR THE 2018/2019 BUDGET YEAR

Expenditure was contained as far as possible in line with the cost containment measures. Service delivery needs were given the priority over funds whilst administrative expenditure was decreased. In an effort to limit the rising employee costs, a limited number of new posts were budgeted for whilst the rest were frozen.

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The budget presented shows our commitment to the community. The crucial point of this budget is on upgrading and maintaining the road network, upgrading community facilities and restoring recreational facilities. Furthermore, non-priority spending has been curtailed in order to invest more funds towards service delivery.

It is anticipated that this budget will empower the municipality to move towards achieving the strategic objectives and serve the community to the best of its abilities.

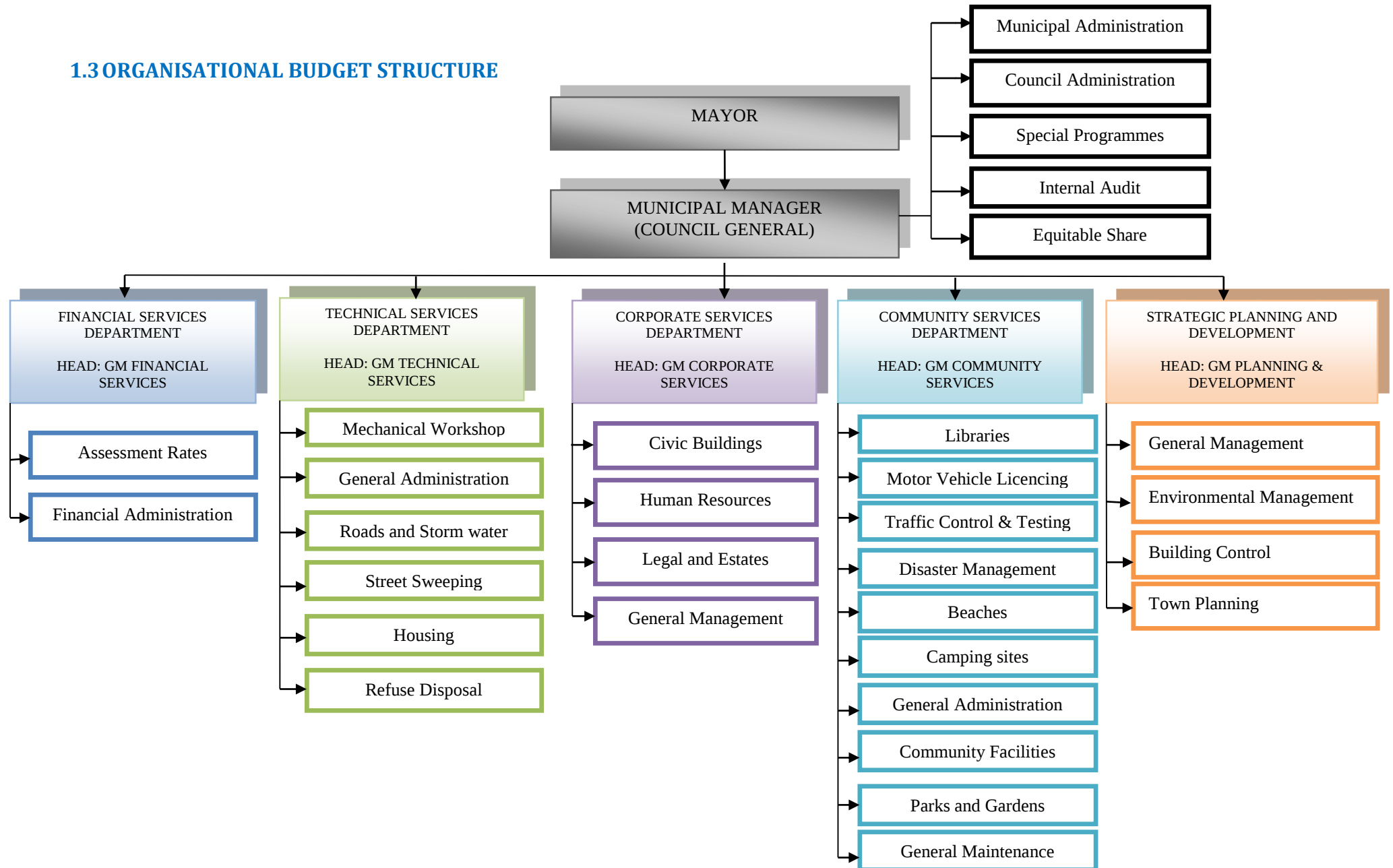
1.2 RESOLUTIONS

As required in terms of Section 16(1) of the Municipal Finance Management Act, No.56 of 2003, the Council of the municipality must approve an annual budget for the ensuing budget year before the commencement of that budget year.

A consultative process with members of the public and Council was held hence the adoption of the draft budget. All comments received were considered and adjustments were effected accordingly.

- 1.1 That the Final Annual Capital and Operating Budgets of the municipality for the financial year 2018/2019 is tabled for adoption as set out in the following schedules;
 - a) Budgeted Financial Performance Summary by Revenue Source and Expenditure by Category as reflected in Annexure 1;
 - b) Budgeted Financial Performance - revenue and expenditure by municipal vote as reflected in Annexure 2;
 - c) Budgeted Financial Performance - revenue and expenditure by GFS as reflected in Annexure 3;
 - d) Budgeted Capital Expenditure by vote, GFS classification and funding as reflected in Annexure 4; and
 - e) Budgeted Capital Expenditure by asset class as reflected in Annexure 5
 - f) Budgeted Capital Expenditure by line item as reflected in Annexure 6
- 1.2 That the Tariff of Charges reflected in Annexure 6 are tabled for adoption for the 2018/2019 financial year.
- 1.3 That the property rates randages and rebates have been kept constant to 2017/2018 rates, as reflected in the budget documents are tabled for adoption for the 2018/2019 financial year.
- 1.4 The A1 budget tables as presented are adopted
- 1.5 The attached revised budget related policies and bylaws be approved

1.3 ORGANISATIONAL BUDGET STRUCTURE



1.4 EXECUTIVE SUMMARY OF THE 2018/2019 BUDGET

1.4.1 VISION, MISSION AND OBJECTIVES OF THE UMDONI MUNICIPALITY

VISION

“BY 2030 UMDONI WILL BE THE **JEWEL** OF THE SOUTH COAST.”

MISSION STATEMENT

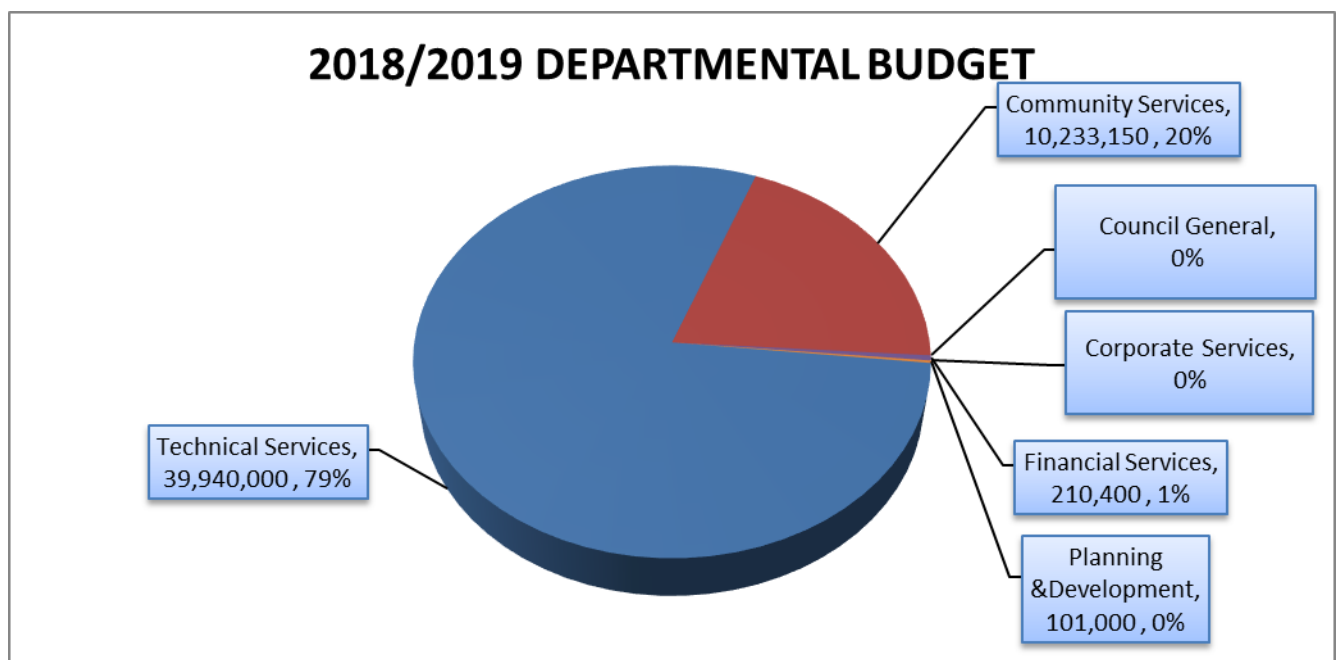
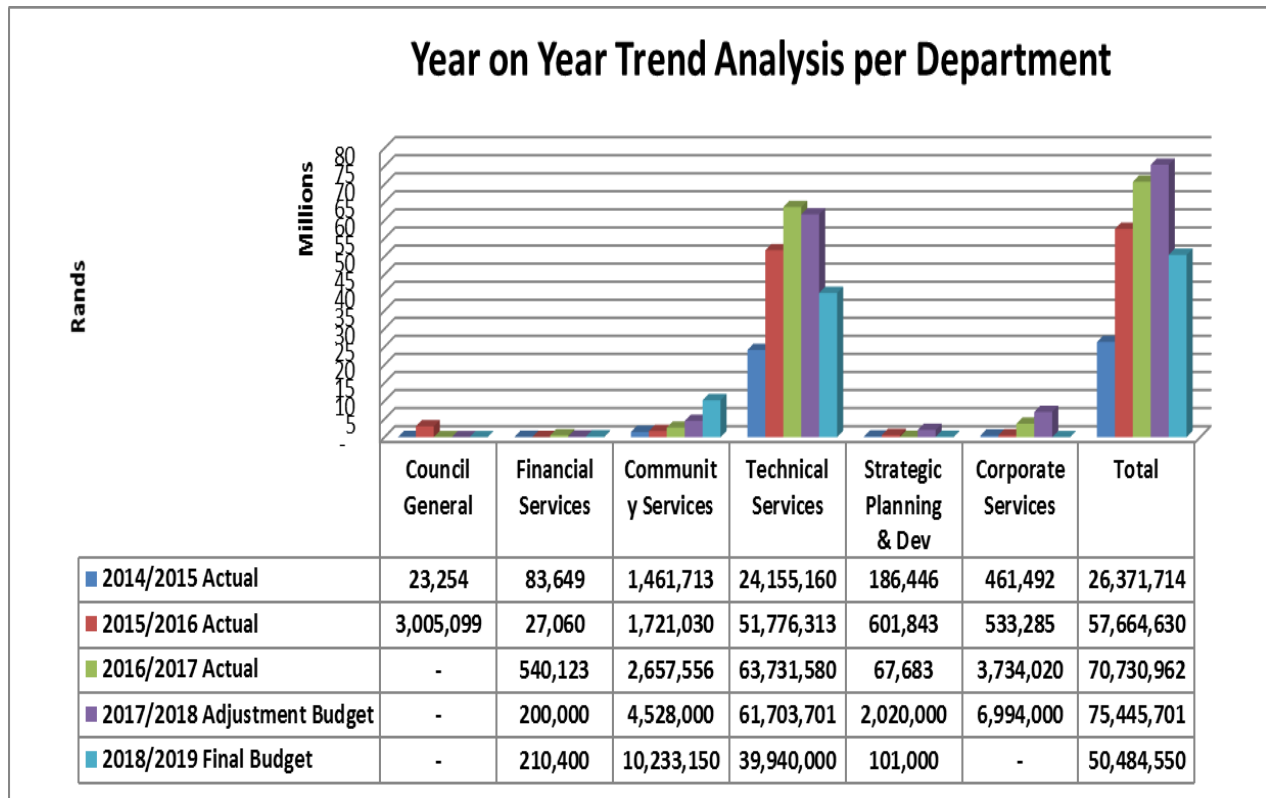
“WORKING TOGETHER IN CONTRIBUTING TO **JOB** CREATION, **ECONOMIC VIABILITY** THROUGH SUSTAINED **LOCAL ECONOMIC DEVELOPMENT** TO ENSURE THE **WELL BEING** OF OUR COMMUNITY IN **ECO FRIENDLY** ENVIRONMENT.”

PRINCIPALS OF UMDONI MUNICIPALITY

- **JOB CREATION**
- **ECONOMIC VIABILITY**
- **WELLBEING OF THE COMMUNITY**
- **ENVIRONMENTALLY FRIENDLY ENVIRONMENT**
- **LOCAL ECONOMIC DEVELOPMENT**

1.4.2 2018/2019 CAPITAL BUDGET OVERVIEW

The 2018/2019 Capital Budget has been estimated at R 50 484 550. A graphical representation of the capital growth of the municipality can be portrayed as follows:

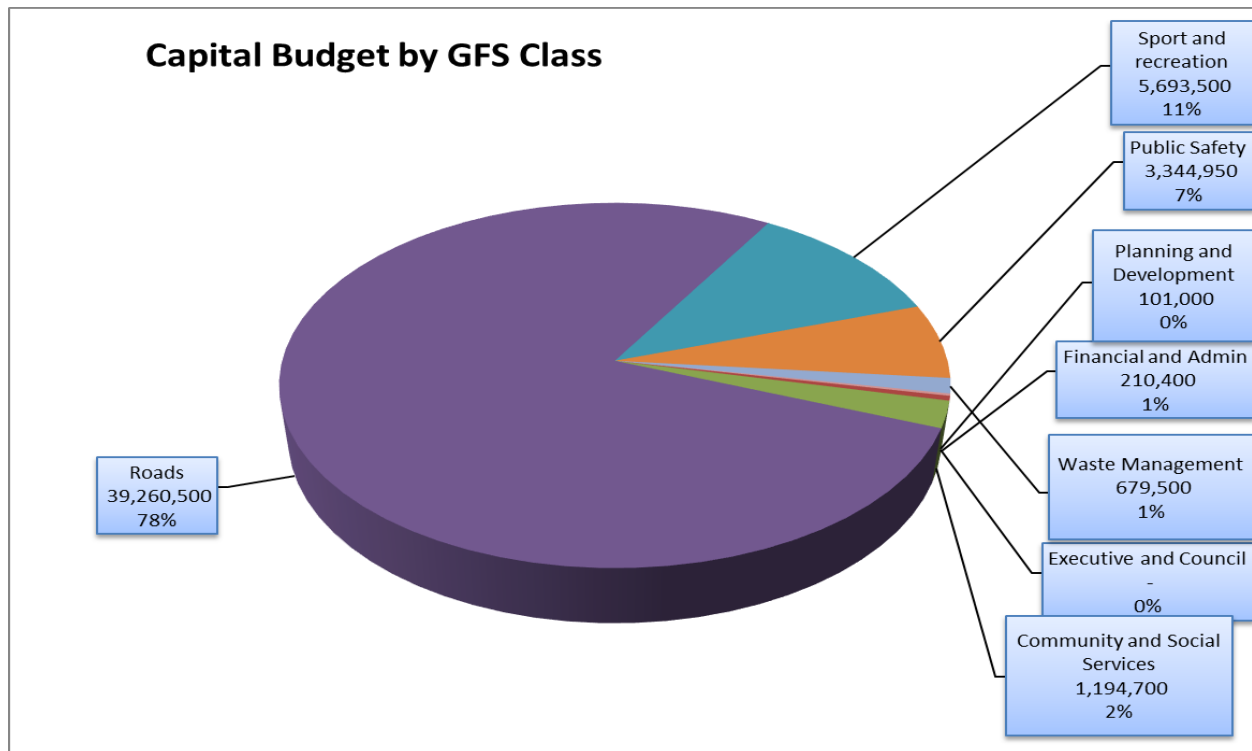


As evident from the above graph, it is clear that the capital budget has decreased from R 75.4 million in the adjustment budget to R 50.4 million for the upcoming financial year.

To this end a large proportion of the capital budget, approximately 44.09% is geared toward upgrading of rural as well as urban roads. The funding of the capital budget is outlined as follows; R29.1 million from MIG; R 300 000 from Provincial grants and R 21 million from internal funding. Community facilities have also been provided for at 20.27%; 15.89% allocated towards Sport and Recreation Facilities; 8.64% allocated towards Transport Assets; 7.22% allocated towards Machinery and Equipment.

From the graph presented, it is clear that year on year the majority of Umdoni's Capital Budget is split between Community Services and Technical Services. However; in the 2017/2018 financial year, Corporate Services took a significant portion of the capital budget which was attributable to the need for the ICT Infrastructure Upgrade in order for the municipality to be able to host the MSCOA Charts and database in the financial system. This shows Umdoni's commitment to providing infrastructure for sustainable continuity of municipal operations rather than spending in non- priority items.

The capital budget for the 2018/2019 financial year is focused toward improving the lives of the communities, and therefore 79% of the capital budget has been directed towards Technical Services; 20% for Community Services departments . The significant portion of capital expenditure in the capital budget is the renewal of the infrastructure. This signifies Umdoni's commitment to maintenance on infrastructure. The greater part of other capital items are all geared towards service delivery.

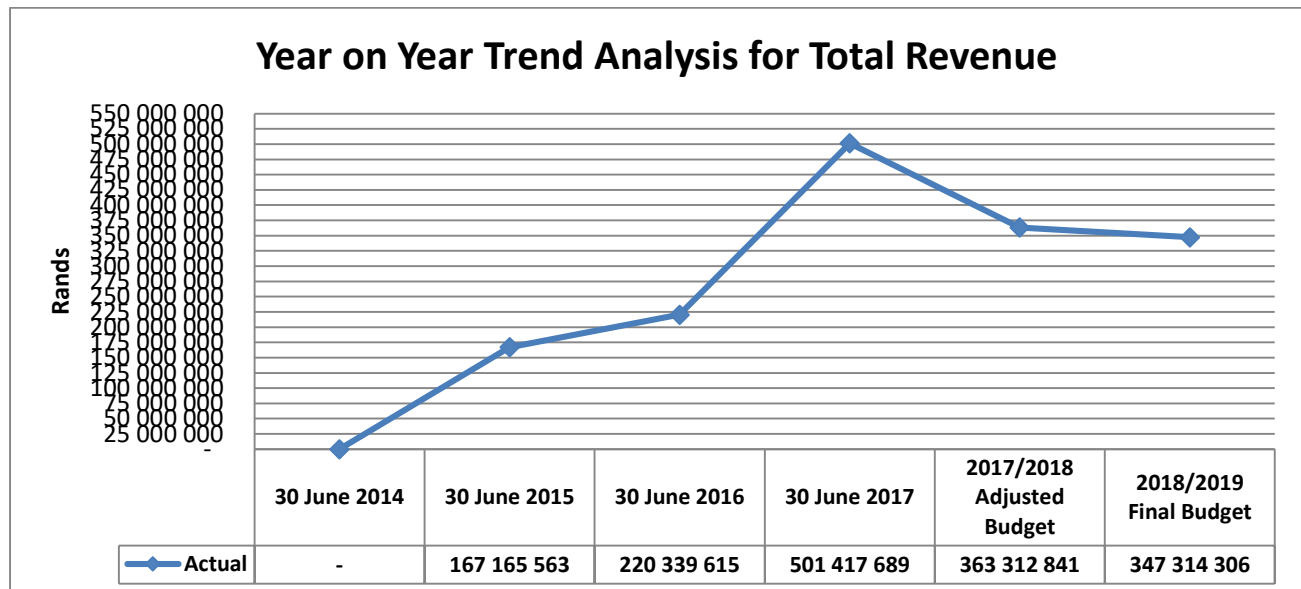


The above mentioned graph categorises the capital budget by GFS classification, with roads and stormwater receiving the largest allocation of 78%; Sport & Recreation 11%; Public Safety at 7%; Finance and Administration at 1%; Community and Social Services at 2%. This again highlights Umdoni Municipality's commitment to the Community sustainable development .

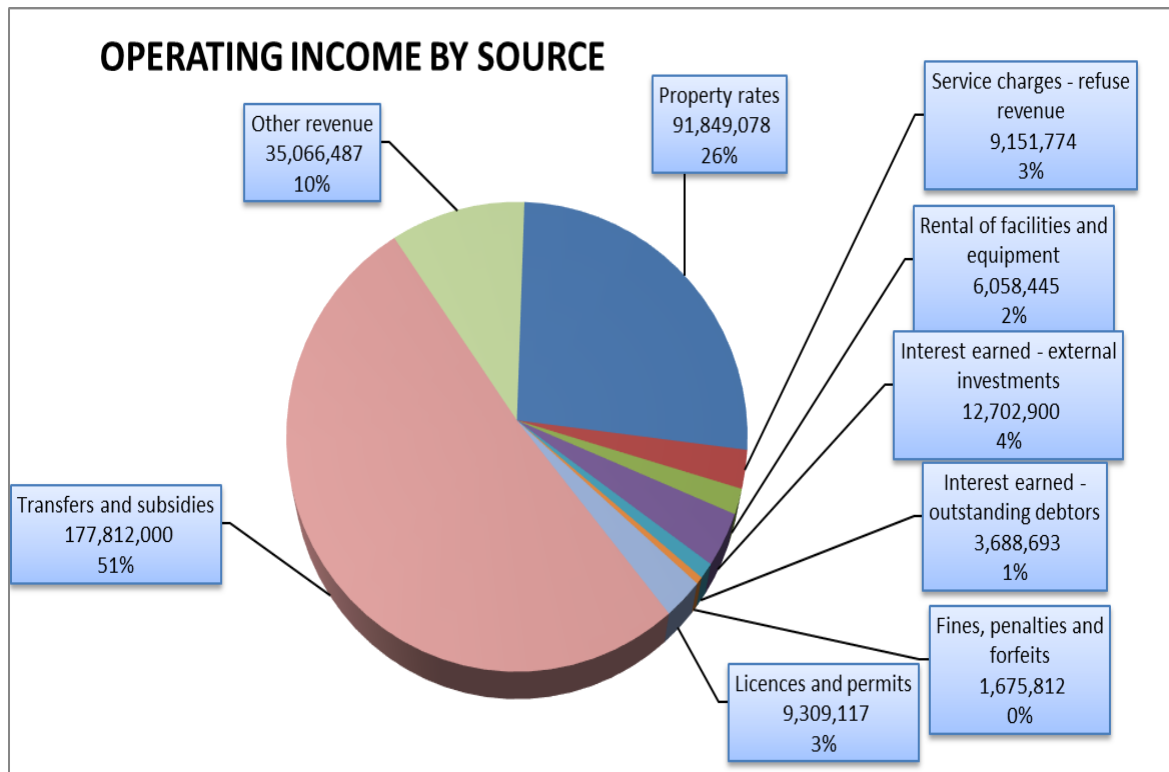
1.4.3 2018/2019 OPERATIONAL BUDGET OVERVIEW

OPERATING REVENUE

The estimated operating income has been projected at R 347.3 million. An analysis of prior year trend levels of income is reflected below:



Income levels have been projected based on current actual collection levels and the 2018/19 budget indicates income levels which are realistic and attainable by the municipality. The impact of the global economic crisis as well as current inflation rates have been considered extensively during the establishment of these income levels, as a substantial amount of consumers will no longer be able to afford the level of increases experienced in the past.



Property Rates

As indicated in the graph above, 26% of the income anticipated to be recognised by the municipality relates to property rates.

Grants and Subsidies

Included in the grants and subsidies are the equitable share allocation which has been calculated at R 118.5 million, followed by R 4,3 million allocated for the Finance Management Grant, as well as R 8.5 million from the Departments of Arts and Culture(DSRAC) for library services. Also R58 000 has been allocated to the municipality for Sports facilities Maintenance by DSRAC. The department of Cooperative Governance and Traditional Affairs (COGTA) has also allocated to the municipality amount of R 1 million for Spatial Development Framework Support Grant. In addition, R 1.2 million has been allocated for the EPWP grant. The municipality has also been allocated an amount of R 14 mil for INEP Grant and R 30.1 mil for MIG.

Own revenue

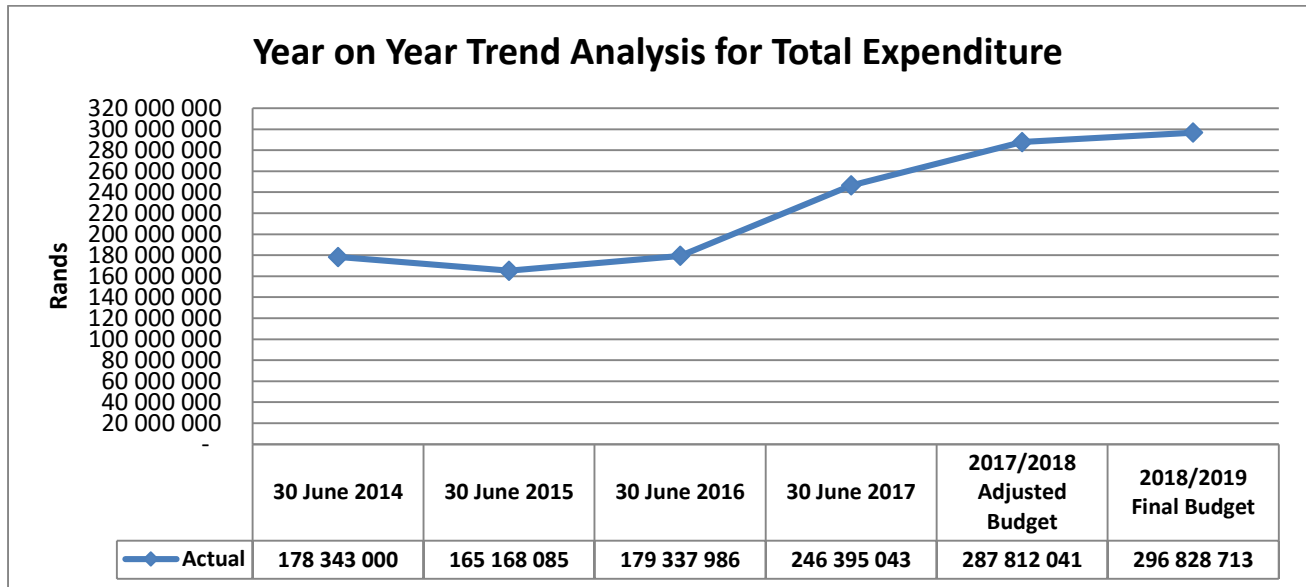
Total Revenue in overall has decreased from the previous financial year mainly due to the decrease in Government grants, specifically the MIG and on own revenue. Most of the fluctuations in revenue source items are caused by re-classifications made to align with MSCOA in which the municipality has prepared the budget in accordance with those classification requirements in an attempt to comply with the regulation.

Service Charges

The service charges have been appropriated at 3% of the total revenue budget. The increment has been kept at 5.3% (CPIX).

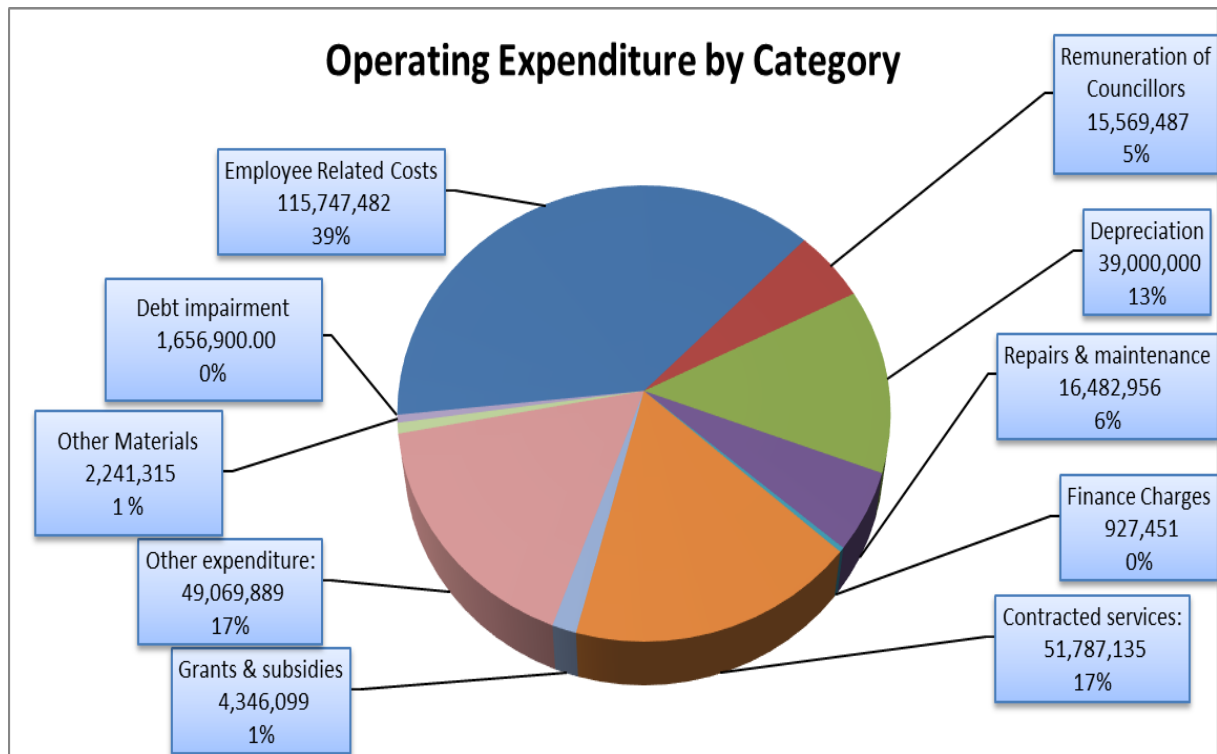
OPERATING EXPENDITURE

The total operating expenditure has been estimated at R 296.8 million. The graph below reflects the trend of expenditure levels as follows:



Whilst our income base has been limited due to the current economic times, the day to day operational expenditure is increasing, which is attributable to inflationary increases and increased service delivery expectations. We therefore find ourselves in a situation where we have to spend the reduced income that we have on expenditure that matters, and will improve the lives of the communities that we serve. Therefore, this budget was prepared on the basis that administrative expenditure will be reduced, and that targeted expenditure, based on our strategic priorities, is enhanced.

Expenditure on the 2018/2019 budget has been allocated as follows:



Employee Relates costs

The graph above shows that 39% of budgeted expenditure will be spent on Employee Related Costs. Salaries have been posing a huge problem for our Municipality in recent years. While income is being limited to a decrease of 4.32%, employee costs have been increasing on average 7%, 5.4% and 5.5% for 2018/19, 2019/20 and 2020/21 financial years respectively. Employee costs were budgeted at an estimated increase of 7% calculated based on the trend of Salary increases. As explained above measures had been put in place to curb the growing employee related costs.

Remuneration of Councillors

Councilor allowances have been set at the upper limit provided by SALGA. The municipality is embarking on a drive in order to curtail Employee costs in an effective manner i.e. without compromising Service Delivery and avoiding costly retrenchments.

Other Expenditure

Other expenditure continues to increase gradually and that is expected in order to provide the same level of service to the community, administrative costs have been drastically reduced. In line with the cost containment measures and numerous circulars, various expenditure items have been reduced such as travelling, advertising, printing and stationery and consultants. While the figures displayed may show an increase in expenditure

budgets, this increase is minimal as we must acknowledge that Umdoni has absorbed the, previously known as, Vulamehlo Municipality and are administering all matters in the new jurisdiction without incurring major administration cost increases.

Repairs and Maintenance

The repairs and maintenance budget forms 5.5% of budgeted operating expenditure for the year. Although the NT circular recommends 8% of PPE to be budgeted for repairs and maintenance, Umdoni has budgeted approximately 5.5%. The reasons for this is in two folds. First and foremost; the municipality cannot afford to budget the recommended 8%. Furthermore, approximately R 34.1 million has been budgeted under the capital budget for renewal of Roads and Storm water infrastructure. This equates to the majority of the Capital Budget. The necessary attention has been devoted to the Roads Infrastructure, but the focus is more on the renewal of roads infrastructure.

Contracted Services

As part of Operating expenditure; the municipality has budgeted for contracted services. This expenditure category has been in overall, increased by 31.74%. The relatively high increase of the contracted services, is influenced by the classification changes within the expenditure categories. Due to the introduction of MSCOA, some of expenditure types which used to be classified under general /other expenditure are now classified as contracted services. Included in the contracted services; is the budget Integrated National Electrification Programme (INEP) amounting to R 14 million; R 3, 5 million for the refuse contractor; R3,5 million for cleaning services contract; R 1,9 million for Shark Nets; R 1,6 million for swimming supervision; R4,3 million for Accounting , Auditing and Valuation Roll Services. In addition to the above, R 1 mil has been set aside for Planning & Development operational projects i.e. urban design and SPLUMA. The municipality has further, appropriated under the contracted services category; R 1 million for the communication strategy; R1 million for the IDP/Budget roadshows catering expenses; R 1.3 million for the Internal Audit Section including the remuneration for audit committee which is classified under this category. Furthermore, R 800 000 has been aside for Sport and Recreation projects. The municipality has also budgeted for; under this category, R 4, 6 million towards security services; R 1, 4 million for legal advice and litigation and lastly R 3, 3 million towards Human Resources Programmes.

Grants and Subsidies

The municipality has set aside funds; under the Grants and Subsidies category; for social assistance to the indigent households an amount of R 468 795. An amount of R3, 7 million has been allocated towards free basic services which include refuse and electricity. R 46 200 has been set aside for Emergency relief expenses under Disaster Section. The municipality has also provided for in the budget; R 1, 7 million geared towards the Skills Development Programme which is implemented through the Co-Ops. The municipality has also provided for in

its budget, the Youth Programmes (Section 20 Schools) at R 930 000. The municipality has also further appropriated in its operating budget R 551 000 set aside for UGU South Coast Development Agency.

Depreciation and Asset Impairment

In compliance with the MFMA and budget circulars, the municipality has budgeted for the Depreciation and Asset Impairment at R 39 million. The increase equates to 13%. Budget for this item has been estimated after taking into account GRAP requirements and possible impairment losses and reversals there off. The impact of the renewals on roads infrastructure planned to take place in the next financial year has also been taken into account.

Debt Impairment

As part of the operating budget, the municipality has provided for debt impairment at R 1.6 million. The provision has been made to accommodate contributions to provisions of doubtful debtors.

Finance Charges

The municipality has budgeted under this expenditure category the expenditure to be incurred for the finance charges of the existing finance leases. This item represent a minor portion of the budget as the municipality hasn't entered into new finance lease agreements.

Other Materials

The municipality has under this item budgeted for printing and stationery and cleaning material (Inventory consumed) as required by MSCOA classification requirements. These items were previously categorized under general expenses.

1.5 2018/2019 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK TABLES

Umdoni Municipality has tabled the 2018/2019 annual budget in the format that is in accordance with the budget regulations, where possible, as follows:

- a) Budgeted Financial Performance Summary by Revenue Source and Expenditure Category for all Departments as reflected in Annexure 1;
- b) Budgeted Financial Performance - revenue and expenditure by department as reflected in Annexure 2;
- c) Budgeted Financial Performance - revenue and expenditure by municipal vote as reflected in Annexure 3;
- d) Budgeted Financial Performance - revenue and expenditure by line item as reflected in Annexure 4;
- e) Budgeted Capital Expenditure by vote, GFS classification and funding as reflected in Annexure 5; and
- f) Budgeted Capital Expenditure by line item as reflected in Annexure 6
- g) A1 Schedule

The above, and all other budget related documents shall be submitted to Provincial and National Treasury.

1.6 TARIFF OF CHARGES – 2018/2019 FINANCIAL YEAR

The tariff of charges for the upcoming financial year have been reviewed on an individual basis by all respective departments and have been open to comments by both Councilors and Officials. The revised tariff of charges has been included in Annexure 7 for consideration by the public. In certain instances tariffs have not increased. Where increases were effected, these were, as far as possible limited to 5.3%.

1.7 PROPERTY RATES RANDAGES AND REBATES – 2018/2019 FINANCIAL YEAR

Umdoni Municipality implemented the Municipal Property Rates Act for the first time for the 08/09 financial year. This resulted in a revaluation of all properties within the Umdoni area, and was aligned to market related values. With this valuation, came the implementation of a new rates policy, and applicable tariffs, rebates and relief to the poor.

The current economic situation has further increased the financial burden on households throughout the country and has contributed to the struggle of day to day living and job security and sustainability. In addition to this, with the latest amendments to the MPRA, municipalities need to phase out rating for Public Service Infrastructure over 4 years, a loss of substantial income for the municipality.

As a sphere of government, we are sensitive to the crisis that we face, and therefore we have accounted for a constant rate in the rates randages for the upcoming financial year. The municipality is implementing the new valuation roll which has been effective from the 01st July 2017. In the new valuation roll, values had been increased and as a result the municipality has decided to keep constant the tariffs due to the current economic crisis and taking into account the affordability of the ratepayers.

Therefore, for 2018/2019 financial year, we propose the rates randages and rebates as indicated below:

Category	18/19 Rates	17/18 Rates
	Randage	Randage
Residential	R 0.00994	R 0.00994
Commercial / Business	R 0.01330	R 0.01330
Industrial / Mining & Quarries	R 0.01330	R 0.01330
Agricultural Farms and Smallholdings	R 0.00249	R 0.00249
State Owned Property	To be rated on usage	To be rated on usage
Public Service Infrastructure	R 0.00249	R 0.00249
Vacant Other	R 0.02503	R 0.02503

The rebates applied for the 2018/2019 financial year is proposed to remain the same as the 2017/2018 financial year:

	R
Residential (R 60,000 elective and 15,000 legislated)	75,000.00
Vacant Other	15,000.00
Disabled Persons/Pensioners/Indigent (Incl R 75000 above)	370,000.00
Medium to High Density level developments (Sectional Titles and Share blocks) 4% on rates due for the financial year	
Annual payments on or before a date to be determined - 2.5% of the net rates raised	

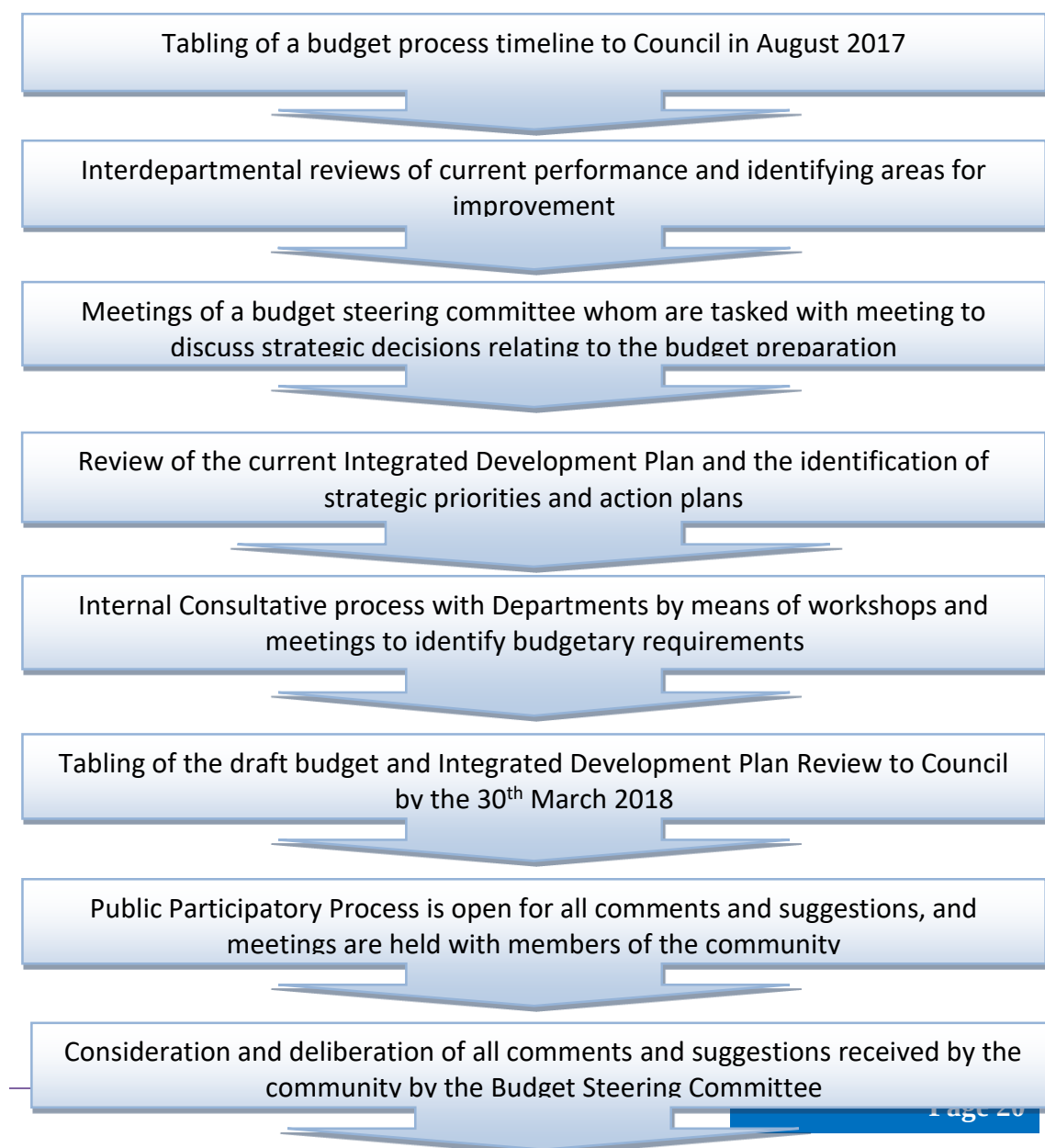
PART 2 - SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

The budget process is guided by various legislative frameworks and regulations, including the Local Government Municipal Finance Management, No, 56 of 2003, the Municipal Systems Act, 2000 and the municipal Budget and Reporting Regulations

Adherence to these guidelines and regulations are imperative during the budget preparation to ensure an effective, credible and sustainable budget. The review of past practices and performance is further necessary, to identify areas of weakness which can be addressed, as well as maintain the level of performance in areas where this has been achieved.

The process embarked upon for the preparation of the 2018/2019 budget can be illustrated below:



Tabling of the final budget to Council for consideration by the 30th May 2018

2.2 OVERVIEW OF THE ALIGNMENT OF THE BUDGET WITH THE IDP

The alignment of the budget to the integrated development plan is crucial in order to ensure the effectiveness of any budget. Various internal consultative sessions were held with Councilors and officials in order to determine the strategic priorities for the municipality in the upcoming financial year. Both the integrated development plan and the budget has incorporated these priorities and action plans, and therefore assisted in the alignment of both the budget and the integrated development plan.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the City has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

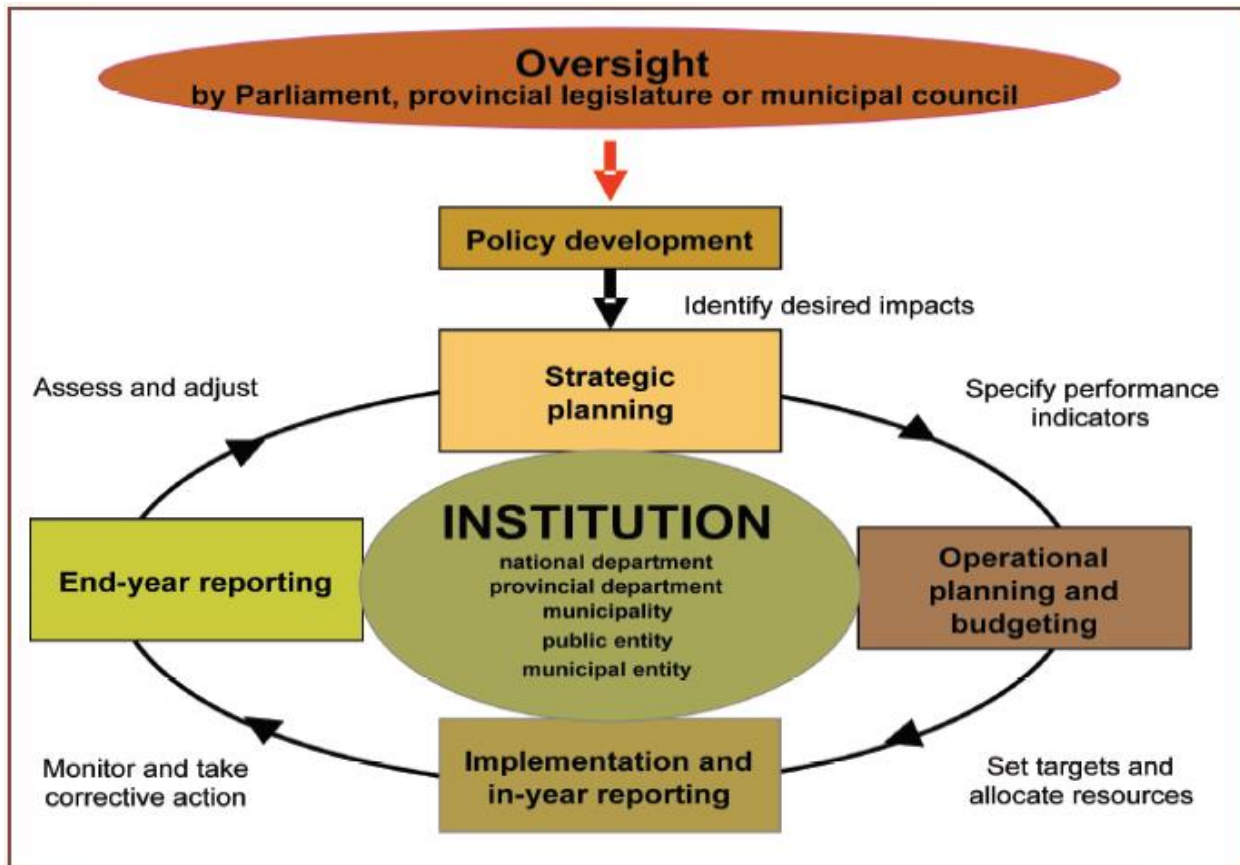


Figure 1 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore intends to adopt fully one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts to be used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

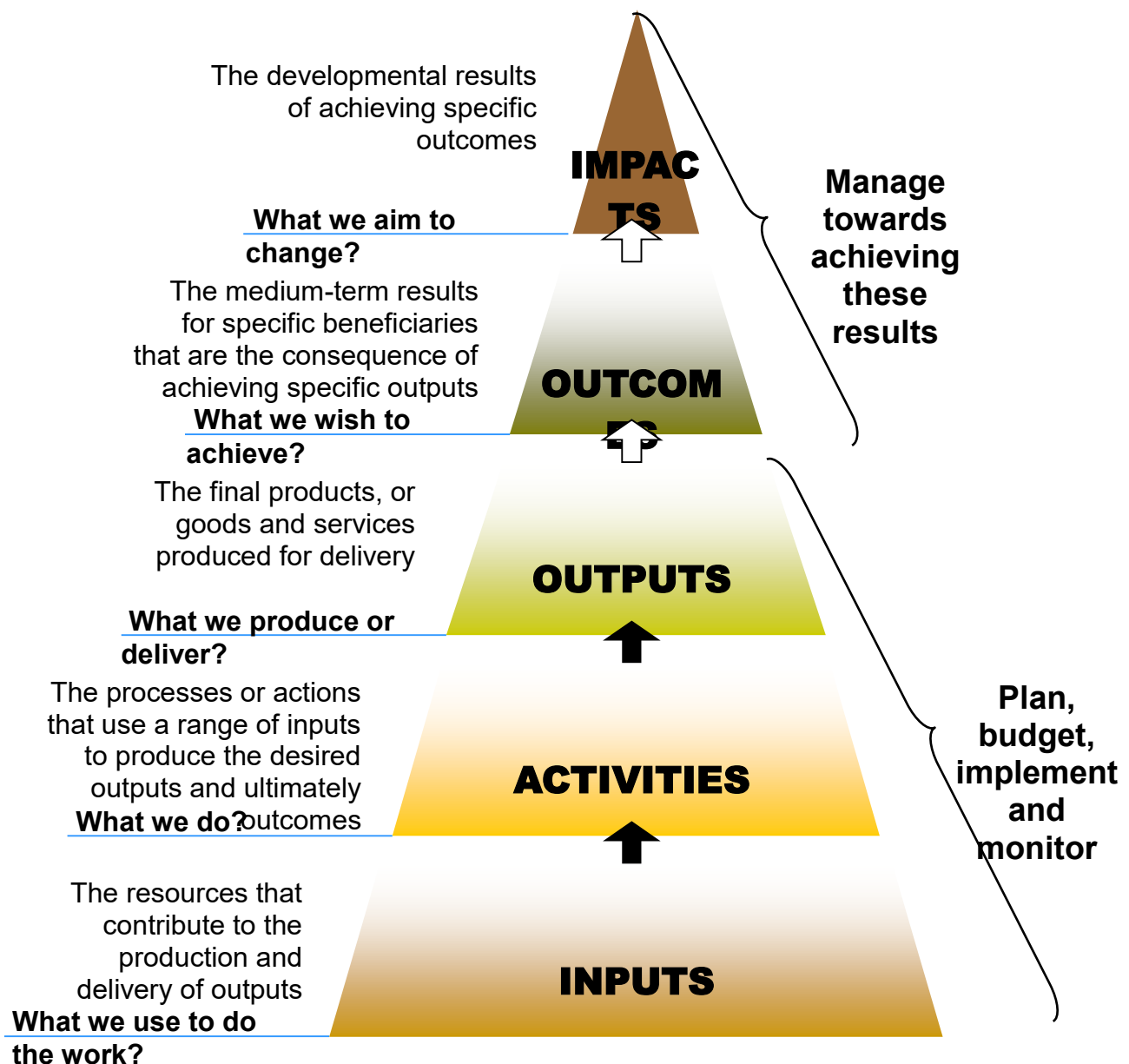


Table: Definition of performance information concepts

2.4 OVERVIEW OF THE BUDGET RELATED POLICIES

The budget related policies are tabled for adoption and any comments or suggestions received during the public participation process were considered.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The budgeting assumptions that brace the 2018/2019 budget preparation are as follows:

Revenue

- All revenue levels were based on current and past year actual trends, and therefore resulted in a realistic revenue base and kept in line with inflation as far as possible;
- Property rates and refuse removal tariffs were kept constant; and refuse removal increased by 5.3%
- All other income has increased minimally in order to maintain affordability and credibility

Expenditure

- Expenditure levels were kept as low as possible whilst prioritizing service delivery
- The following areas were targeted in terms expenditure:
 - Councilors Allowances – this has been set at the upper limit provided by SALGA.
 - Employee related costs
 - General expenses
 - Repairs and maintenance
- Employee costs were budgeted at an estimated increase of 7% based on the salary increases trend as the collective agreement is not yet finalized. As explained above measures were put in place to curb the growing employee related costs.
- Administrative costs were reduced.

External factors

“The 2018 Budget Review emphasised that, although global risk factors remain elevated, the World economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 percent in 2020. Statistics South Africa’s December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture” MFMA budget circular 91.

General inflation outlook and its impact on the municipal activities

These are key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate which equals the CPIX over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (71 per cent) of annual billings. Cash flow is assumed to be 71 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of approximately to 100 per cent is achieved on operating and capital expenditure for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

Overview of budget funding

The budget is funded and as such the main table A7 for cash flow statement attest to that.

2.6 MEDIUM TERM OUTLOOK : OPERATING REVENUE

The following table is a breakdown of the operating revenue over the medium-term:

Table 1 Breakdown of the operating revenue over the medium-term

KZN212 Umdoni - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	68,991	71,765	76,515	80,304	81,515	81,515	81,515	91,849	96,901	102,230
Service charges	7,197	8,136	8,554	9,096	9,091	9,091	9,091	9,221	9,680	10,161
Investment revenue	5,848	7,220	12,150	12,075	12,180	12,180	12,180	12,703	13,402	14,139
Transfers recognised - operational	67,849	70,042	138,873	115,500	143,172	143,172	143,172	127,327	129,793	147,002
Other own revenue	15,551	20,827	196,283	50,376	63,544	63,544	63,544	55,729	57,660	60,826
Total Revenue (excluding capital transfers and contributions)	165,436	177,990	432,374	267,351	309,502	309,502	309,502	296,830	307,436	334,358

2.6.1 Expenditure on grants and reconciliations of unspent funds

Table 2 MBRR SA19 - Expenditure on transfers and grant programmes

KZN212 Umdoni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		47,633	64,477	21,644	131,390	131,390	131,390	138,097	144,920	154,815
Local Government Equitable Share		43,638	60,678	—	113,579	113,579	113,579	118,563	129,120	140,015
Integrated National Electrification Programme		—	—	8,000	8,000	8,000	8,000	14,000	12,800	12,800
Finance Management		1,800	1,800	3,835	4,245	4,245	4,245	4,315	3,000	2,000
EPWP Incentive		1,261	1,069	2,038	1,000	1,000	1,000	1,219	—	—
Municipal Systems Improvement		934	930	—	—	—	—	—	—	—
MIG		—	—	—	—	—	—	—	—	—
Municipal Demarcation Transition		—	—	7,771	4,566	4,566	4,566	—	—	—
Provincial Government:		4,646	5,752	9,435	6,188	6,200	6,200	8,597	10,003	9,493
Maintenance Grants - Sport Facilities		—	419	—	—	—	—	58	—	—
Libraries		4,646	5,138	4,509	6,188	6,200	6,200	8,539	9,003	9,493
Corridor Development Grant		—	97	—	—	—	—	—	—	—
Fresh Produce Market		—	99	—	—	—	—	—	—	—
Schemes Support Programme Grant		—	—	—	—	—	—	—	1,000	—
Vulamehlo Municipality - Inherited		—	—	4,926	—	—	—	—	—	—
Spatial Development Framework Support Grant		—	—	—	—	—	—	1,000	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants		52,279	70,229	31,079	137,578	137,590	137,590	146,694	154,923	164,308
Capital expenditure of Transfers and Grants										
National Government:		—	32,114	39,647	53,161	47,722	47,722	30,118	30,678	32,228
Municipal Infrastructure Grant (MIG)		—	26,114	32,208	31,161	31,161	31,161	30,118	30,678	32,228
Scottburgh CBD		—	6,000	7,439	22,000	16,561	16,561	—	—	—
Provincial Government:		—	11,054	29,525	—	—	—	—	—	—
Disaster Recovery Grant		—	11,054	29,525	—	—	—	—	—	—
Shayamoya Sportsfield		—	101	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Total capital expenditure of Transfers and Grants		—	43,168	69,171	53,161	47,722	47,722	30,118	30,678	32,228
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		52,279	113,397	100,250	190,739	185,312	185,312	176,812	185,601	196,536

Table 3 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN212 Umdoni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		5,782	5,782	—						
Current year receipts		47,633	64,477	132,514	141,109	147,988	158,038	119,315	120,311	137,509
Conditions met - transferred to revenue		53,415	70,259	132,514	141,109	147,988	158,038	119,315	120,311	137,509
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		706	654	—						
Current year receipts		4,646	5,557	9,495	6,141	6,141	6,141	8,597	10,003	9,493
Conditions met - transferred to revenue		4,423	6,211	9,495	6,141	6,141	6,141	8,597	10,003	9,493
Conditions still to be met - transferred to liabilities		929	—							
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		57,838	76,470	142,009	147,250	154,129	164,179	127,912	130,314	147,002
Total operating transfers and grants - CTBM	2	929	—	—	—	—	—	—	—	—
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	42,349	35,870	31,161	31,161	31,161	29,418	30,708	32,228
Conditions met - transferred to revenue		—	42,349	35,870	31,161	31,161	31,161	29,418	30,708	32,228
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		177	177	—						
Current year receipts		—	6,000	54,000	22,000	16,561	16,561	—	—	—
Conditions met - transferred to revenue		—	6,101	54,000	22,000	16,561	16,561	—	—	—
Conditions still to be met - transferred to liabilities		177	76							
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		—	48,450	89,870	53,161	47,722	47,722	29,418	30,708	32,228
Total capital transfers and grants - CTBM	2	177	76	—	—	—	—	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE		57,838	124,920	231,879	200,411	201,851	211,901	157,330	161,022	179,230
TOTAL TRANSFERS AND GRANTS - CTBM		1,106	76	—	—	—	—	—	—	—

Table 4 MBRR SA21 - Transfers and grants made by the municipality

KZN212 Umdoni - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<u>Cash Transfers to other municipalities</u>											
<u>Cash Transfers to Entities/Other External Mechanisms</u>											
Tourism Contribution	2								587	626	660
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	587	626	660
<u>Cash Transfers to Organisations</u>											
VARIOUS INDIVIDUALS					3,963	3,963	3,963	3,963	3,759	3,943	4,114
Eskom											
TC ROBERTSONS		-	-	-	3,963	3,963	3,963	3,963	3,759	3,943	4,114
Total Cash Transfers To Organisations											
Total Cash Transfers To Groups Of Individuals:	6	-	-	-	3,963	3,963	3,963	3,963	4,346	4,569	4,774
TOTAL CASH TRANSFERS AND GRANTS											
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS	6	-	-	-	3,963	3,963	3,963	3,963	4,346	4,569	4,774

2.6.2 COUNCILLOR AND EMPLOYEE BENEFITS

Table 5 - Supporting Table SA22 Summary councillor and staff benefit

KZN212 Umdoni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		6,475	11,622	9,855	9,855	9,855	13,202	12,448	13,120	13,842
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	1,771	1,771	1,771	-	1,868	1,969	2,078
Cellphone Allowance		-	-	1,188	1,188	1,188	1,643	1,253	1,321	1,393
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	97	97	97	725	-	-	-
Sub Total - Councillors		6,475	11,622	12,911	12,911	12,911	15,569	15,569	16,410	17,313
% increase	4		79.5%	11.1%	-	-	20.6%	-	5.4%	5.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4,271	4,808	4,950	4,950	4,950	5,674	5,694	6,149	6,641
Pension and UIF Contributions		-	-	-	-	-	-	11	12	12
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		158	-	412	412	412	-	-	-	-
Motor Vehicle Allowance		140	191	-	-	-	-	357	386	417
Cellphone Allowance	3	48	57	233	233	233	57	57	62	67
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	38	-	16	16	16	68	58	62	67
Payments in lieu of leave		-	147	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,655	5,202	5,611	5,611	5,611	5,799	6,177	6,671	7,204
% increase	4		11.7%	7.9%	-	-	3.4%	6.5%	8.0%	8.0%
Other Municipal Staff										
Basic Salaries and Wages		37,683	39,319	46,511	71,997	67,711	67,711	80,522	86,166	83,089
Pension and UIF Contributions		7,099	7,244	8,291	15,590	15,590	15,590	11,057	11,664	11,877
Medical Aid Contributions		2,556	2,659	3,445	-	-	-	5,580	5,887	5,883
Overtime		1,588	2,183	2,619	2,618	2,618	2,618	3,375	3,624	3,698
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	6	126	172	501	501	501	480	505	520
Housing Allowances	3	98	114	165	330	330	330	368	388	397
Other benefits and allowances	3	8,611	6,615	6,867	1,914	1,914	1,914	3,678	3,869	3,738
Payments in lieu of leave		-	-	-	4,151	4,151	4,151	1,129	1,191	1,191
Long service awards		-	-	-	157	157	157	2,839	2,995	3,160
Post-retirement benefit obligations	6	-	-	-	345	345	345	-	-	-
Sub Total - Other Municipal Staff		57,641	58,260	68,070	97,603	93,317	93,317	109,028	116,291	113,553
% increase	4		1.1%	16.8%	43.4%	(4.4%)	-	16.8%	6.7%	(2.4%)
Total Parent Municipality		68,771	75,084	86,592	116,125	111,840	114,686	130,774	139,372	138,070

2.6.3 MONTHLY TARGETS OF REVENUE, EXPENDITURE AND CASHFLOW

TABLE 6 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN212 Umdoni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue By Source																
Property rates		7,654	7,654	7,654	7,654	7,654	7,654	7,654	7,654	7,654	7,654	7,654	7,654	91,849	96,901	102,230
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		768	768	768	768	768	768	768	768	768	768	768	699	9,152	9,607	10,084
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		505	505	505	505	505	505	505	505	505	505	505	505	6,058	6,385	6,732
Interest earned - external investments		1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	12,703	13,402	14,139
Interest earned - outstanding debtors		9	9	9	9	9	9	9	9	9	9	9	3,587	3,689	3,891	4,104
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		432	432	432	432	432	432	432	432	432	432	432	(3,076)	1,676	1,760	1,856
Licences and permits		776	776	776	776	776	776	776	776	776	776	776	191	8,725	9,204	9,204
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		40,000	7,500	7,500	7,500	7,500	11,400	7,500	8,000	8,000	8,000	7,500	7,512	127,912	130,314	147,002
Other revenue		2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	3,614	35,066	36,973	39,006
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		54,062	21,562	21,562	21,562	21,562	25,462	21,562	22,062	22,062	22,062	21,562	21,745	296,830	308,436	334,358
Expenditure By Type																
Employee related costs		9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	9,791	8,050	115,747	123,534	121,361
Remuneration of councillors		1,197	1,197	1,197	1,197	1,197	1,197	1,397	1,297	1,297	1,297	1,297	1,797	15,569	16,410	17,313
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	1,657	1,657	1,748	1,844
Depreciation & asset impairment		3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	2,333	39,000	42,000	44,100
Finance charges		70	69	68	90	70	95	70	70	70	70	70	114	927	975	1,026
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		90	90	90	90	90	90	90	90	90	90	90	1,250	2,241	2,559	2,579
Contracted services		4,051	4,051	4,051	4,051	4,051	4,051	4,051	4,051	4,051	4,051	4,051	23,705	68,270	78,448	77,582
Transfers and subsidies		100	784	784	784	-	100	500	500	-	-	784	11	4,346	4,569	4,774
Other expenditure		4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	2,132	49,070	50,666	52,398
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		22,900	23,583	23,582	23,604	22,800	22,925	23,500	23,400	22,900	22,900	23,684	41,049	296,829	320,909	322,977
Surplus/(Deficit)		31,162	(2,021)	(2,020)	(2,042)	(1,238)	2,537	(1,938)	(1,338)	(838)	(838)	(2,122)	(19,305)	1	(12,474)	11,381
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		4,500	2,500	3,000	3,200	3,000	6,172	1,000	1,492	2,554	500	500	1,000	29,418	30,648	32,228
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		10,112	-	-	-	-	4,635	-	-	6,320	-	-	-	21,067	11,360	4,506
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		45,774	479	980	1,158	1,762	13,344	(938)	154	8,036	(338)	(1,622)	(18,305)	50,486	29,534	48,115
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	45,774	479	980	1,158	1,762	13,344	(938)	154	8,036	(338)	(1,622)	(18,305)	50,486	29,534	48,115

TABLE 7 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN212 Umdoni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 1 - COUNCIL GENERAL		9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	117,960	128,485	139,345
Vote 2 - STRATEGIC PLANNING AND DEVELOPMENT		209	209	209	209	209	209	209	209	209	209	209	214	2,513	2,581	1,668
Vote 3 - COMMUNITY SERVICES		1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	2,435	22,075	22,109	23,319
Vote 4 - FINANCIAL SERVICES		11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	143,416	149,752	156,823
Vote 5 - CORPORATE SERVICES		515	515	515	515	515	515	515	515	515	515	515	(440)	5,230	5,517	5,821
Vote 6 - TECHNICAL SERVICES		4,677	4,677	4,677	4,677	4,677	4,677	4,677	4,677	4,677	4,677	4,677	4,677	56,120	42,000	44,116
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		28,968	28,968	28,968	28,968	28,968	28,968	28,968	28,968	28,968	28,968	28,968	28,668	347,314	350,443	371,092
Expenditure by Vote to be appropriated																
Vote 1 - COUNCIL GENERAL		3,078	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	3,411	2,705	39,894	42,968	45,326
Vote 2 - STRATEGIC PLANNING AND DEVELOPMENT		1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	3,539	17,915	15,639	16,499
Vote 3 - COMMUNITY SERVICES		5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	5,894	8,543	73,382	80,347	80,201
Vote 4 - FINANCIAL SERVICES		3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	(162)	33,585	36,791	38,814
Vote 5 - CORPORATE SERVICES		3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	(2,179)	33,332	35,534	32,974
Vote 6 - TECHNICAL SERVICES		7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618	14,918	98,720	109,631	109,163
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		24,194	24,527	24,527	24,527	24,527	24,527	24,527	24,527	24,527	24,527	24,527	27,364	296,829	320,909	322,977
Surplus/(Deficit) before assoc.		4,774	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	1,304	50,486	29,534	48,115
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	4,774	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	1,304	50,486	29,534	48,115

TABLE 8 MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification)

KZN212 Umdoni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																
Governance and administration		21,781	21,781	21,781	21,781	21,781	21,781	21,781	21,781	21,781	21,781	21,781	27,011	266,606	283,754	301,989
Executive and council		9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	117,960	128,485	139,345
Finance and administration		11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	11,951	17,181	148,646	155,269	162,644
Internal audit																
Community and public safety		1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,772	13,481	14,134	14,902
Community and social services		755	755	755	755	755	755	755	755	755	755	755	755	9,060	9,550	10,070
Sport and recreation		27	27	27	27	27	27	27	27	27	27	27	27	1,036	1,030	1,087
Public safety		206	206	206	206	206	206	206	206	206	206	206	206	2,473	2,597	2,739
Housing		76	76	76	76	76	76	76	76	76	76	76	76	912	957	1,005
Health																
Economic and environmental services		3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	3,520	18,632	57,356	42,190	43,319
Planning and development		126	126	126	126	126	126	126	126	126	126	126	1,131	2,513	2,581	1,668
Road transport		3,395	3,395	3,395	3,395	3,395	3,395	3,395	3,395	3,395	3,395	3,395	17,502	54,843	39,610	41,651
Environmental protection																
Trading services		823	823	823	823	823	823	823	823	823	823	823	823	9,871	10,365	10,883
Energy sources																
Water management																
Waste water management																
Waste management		823	823	823	823	823	823	823	823	823	823	823	823	9,870	10,364	10,882
Other																
Total Revenue - Functional		27,189	27,189	27,189	27,189	27,189	27,189	27,189	27,189	27,189	27,189	27,189	48,239	347,314	350,443	371,092
Expenditure - Functional																
Governance and administration		9,707	9,707	9,707	9,707	9,707	9,707	9,707	9,707	9,707	9,707	9,707	30	106,812	115,293	117,114
Executive and council		3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	2,550	38,621	40,913	43,157
Finance and administration		6,296	6,296	6,296	6,296	6,296	6,296	6,296	6,296	6,296	6,296	6,296	(2,341)	66,918	72,325	71,788
Internal audit		132	132	132	132	132	132	132	132	132	132	132	(178)	1,273	2,056	2,169
Community and public safety		3,503	3,503	3,503	3,503	3,503	3,503	3,503	3,503	3,503	3,503	3,503	22,488	61,023	70,495	69,792
Community and social services		151	151	151	151	151	151	151	151	151	151	151	16,487	18,150	19,505	20,578
Sport and recreation		2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	2,534	5,182	33,057	39,343	41,507
Public safety		470	470	470	470	470	470	470	470	470	470	470	470	5,634	5,931	1,692
Housing		334	334	334	334	334	334	334	334	334	334	334	334	4,010	5,535	5,825
Health		14	14	14	14	14	14	14	14	14	14	14	14	171	180	190
Economic and environmental services		8,725	8,725	8,725	8,725	8,725	8,725	8,725	8,725	8,725	8,725	8,725	18,258	114,235	113,754	114,599
Planning and development		1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	1,155	2,366	15,075	14,380	15,171
Road transport		7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	7,418	14,719	96,319	98,115	98,099
Environmental protection		152	152	152	152	152	152	152	152	152	152	152	1,174	2,840	1,259	1,329
Trading services		1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	14,759	21,368	21,472
Energy sources																
Water management																
Waste water management																
Waste management		1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	14,759	21,368	21,472
Other																
Total Expenditure - Functional		23,166	23,166	23,166	23,166	23,166	23,166	23,166	23,166	23,166	23,166	23,166	42,005	296,829	320,909	322,977
Surplus/(Deficit) before assoc.		4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	6,234	50,486	29,534	48,115
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	4,023	6,234	50,486	29,534	48,115

TABLE 9 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN212 Umdoni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 1 - COUNCIL GENERAL														-	-	-
Vote 2 - STRATEGIC PLANNING AND DEVELOPMENT														-	-	-
Vote 3 - COMMUNITY SERVICES														-	-	-
Vote 4 - FINANCIAL SERVICES														-	-	-
Vote 5 - CORPORATE SERVICES														-	-	-
Vote 6 - TECHNICAL SERVICES														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - COUNCIL GENERAL														-	-	-
Vote 2 - STRATEGIC PLANNING AND DEVELOPMENT		8	8	8	8	8	8	8	8	8	8	8	8	8	101	2,227
Vote 3 - COMMUNITY SERVICES		497	497	497	497	497	497	497	497	497	497	497	4,771	10,233	3,758	-
Vote 4 - FINANCIAL SERVICES		18	18	18	18	18	18	18	18	18	18	18	18	210	222	234
Vote 5 - CORPORATE SERVICES														-	-	-
Vote 6 - TECHNICAL SERVICES		3,994	3,097	3,097	11,982	3,097	3,097	3,097	22	3,097	2,097	3,097	169	39,940	35,800	36,500
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	4,516	3,619	3,619	12,504	3,619	3,619	3,619	544	3,619	2,619	3,619	4,966	50,485	42,008	36,734
Total Capital Expenditure	2	4,516	3,619	3,619	12,504	3,619	3,619	3,619	544	3,619	2,619	3,619	4,966	50,485	42,008	36,734

TABLE 10 MBRR SA29 - Budgeted monthly capital expenditure (functional classification)

KZN212 Umdoni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		18	18	18	18	18	18	18	18	18	18	18	18	210	222	234
Executive and council														-	-	-
Finance and administration		18	18	18	18	18	18	18	18	18	18	18	18	210	222	234
Internal audit														-	-	-
<i>Community and public safety</i>		891	891	891	891	891	891	891	891	891	891	891	434	10,233	3,758	-
Community and social services		104	104	104	104	104	104	104	104	104	104	104	47	1,195	1,647	-
Sport and recreation		508	508	508	508	508	508	508	508	508	508	508	108	5,694	1,375	-
Public safety		279	279	279	279	279	279	279	279	279	279	279	279	3,345	736	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		688	688	688	688	688	688	688	688	688	688	688	31,794	39,362	38,027	36,500
Planning and development		8	8	8	8	8	8	8	8	8	8	8	8	101	2,227	-
Road transport		680	680	680	680	680	680	680	680	680	680	680	31,786	39,261	35,800	36,500
Environmental protection														-	-	-
<i>Trading services</i>		57	57	57	57	57	57	57	57	57	57	57	57	680	-	-
Energy sources														-	-	-
Water management														-	-	-
Waste water management														-	-	-
Waste management		57	57	57	57	57	57	57	57	57	57	57	57	680	-	-
<i>Other</i>														-	-	-
Total Capital Expenditure - Functional	2	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	1,653	32,302	50,485	42,008	36,734
Funded by:																
National Government		2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	2,427	29,118	30,678	32,228
Provincial Government		25	25	25	25	25	25	25	25	25	25	25	25	300	30	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		2,452	2,452	2,452	2,452	2,452	2,452	2,452	2,452	2,452	2,452	2,452	2,452	29,418	30,708	32,228
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	(816)	21,067	11,299	4,506
Total Capital Funding		4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441	1,636	50,485	42,008	36,734

TABLE 11 MBRR SA30 - Budgeted monthly cash flow

KZN212 Umdoni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874	4,874	11,877	65,489	68,763	72,201
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	510	510	510	510	510	510	510	510	510	510	510	815	6,420	6,741	7,078
Service charges - other	432	432	432	432	432	432	432	432	432	432	432	691	5,439	5,711	5,997
Rental of facilities and equipment	508	508	508	508	508	508	508	508	508	508	508	475	6,058	6,385	6,732
Interest earned - external investments	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,015	1,538	12,703	13,402	14,139
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	2,619	2,619	2,762	2,914
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	21	21	21	21	21	21	21	21	21	21	21	1,447	1,676	1,760	1,856
Licences and permits	585	585	585	585	585	585	585	585	585	585	585	2,284	8,725	9,204	9,204
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	70,893	-	-	-	32,493	-	-	-	44,308	-	-	-	147,694	142,123	151,508
Other revenue	500	150	150	150	150	150	800	800	800	800	120	462	5,032	5,286	5,577
Cash Receipts by Source	79,337	8,094	8,094	8,094	40,587	8,094	8,744	8,744	53,052	8,744	8,064	22,207	261,854	262,137	277,206
Other Cash Flows by Source															
Transfer receipts - capital	13,553	-	-	-	7,530	9,035	-	-	-	-	-	-	30,118	30,678	32,228
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	10,000	-	-	-	-	-	-	-	-	-	-	20,035	30,035	31,687	33,429
Total Cash Receipts by Source	102,890	8,094	8,094	8,094	48,116	17,129	8,744	8,744	53,052	8,744	8,064	42,242	322,007	324,502	342,863
Cash Payments by Type															
Employee related costs	7,776	7,776	7,776	7,776	7,776	7,776	7,776	7,776	7,776	7,776	7,776	30,207	115,747	123,534	121,361
Remuneration of councillors	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	2,355	15,569	16,410	17,313
Finance charges	70	70	70	70	70	70	70	70	70	70	70	156	927	975	1,026
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	2,241	2,241	2,559	2,579
Contracted services	4,511	5,511	3,511	6,500	7,011	6,511	4,511	4,511	5,511	7,511	5,511	7,163	68,270	78,448	77,582
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	330	430	330	330	330	430	330	330	330	330	330	514	4,346	4,569	4,774
Other expenditure	4,538	5,538	4,738	4,738	5,738	5,038	3,218	3,538	3,538	3,438	4,538	469	49,070	50,666	52,398
Cash Payments by Type	18,427	20,527	17,627	20,616	22,127	21,027	17,107	17,427	18,427	20,327	19,427	43,106	256,172	277,161	277,033
Other Cash Flows/Payments by Type															
Capital assets	3,287	3,287	4,287	4,387	3,287	5,287	3,287	2,287	4,287	6,287	6,287	4,226	50,485	42,008	36,734
Repayment of borrowing	165	165	165	165	165	165	165	165	165	165	165	165	1,977	1,860	917
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	21,879	23,979	22,079	25,168	25,579	26,479	20,559	19,879	22,879	26,779	25,879	47,497	308,633	321,029	314,685
NET INCREASE/(DECREASE) IN CASH HELD	81,011	(15,885)	(13,985)	(17,074)	22,537	(9,350)	(11,815)	(11,135)	30,173	(18,035)	(17,815)	(5,255)	13,374	3,474	28,179
Cash/cash equivalents at the month/year begin:	60	81,071	65,186	51,201	34,127	56,664	47,315	35,500	24,365	54,538	36,503	18,688	60	13,434	16,907
Cash/cash equivalents at the month/year end:	81,071	65,186	51,201	34,127	56,664	47,315	35,500	24,365	54,538	36,503	18,688	13,434	13,434	16,907	45,086



2.7 ANNUAL BUDGET AND SDBIP's – Internal Departments

TABLE 12 MBRR SA4- Reconciliation of IDP strategic objectives and budget (revenue)



UMDONI MUNICIPALITY

BUDGET DOCUMENTATION FOR THE 2018/2019 BUDGET YEAR

KZN212 Umdoni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Improve rural development and infrastructure for all our communities;To enhance trade and investment facilitation in the rural areas;To Facilitate an integrated approach to planning for both urban and rural communities.To inspire pride in local communities by promoting sustainable economic growth;	Overcoming the spatial divide that exists between urban and rural communities			62,050	64,250	62,756	75,299	76,151	76,151	81,174	75,736	78,525	
To protect and continually improve the environment and ensure the preservation of our environmental assets.	Promote a sustainable environment.			9,830	9,253	9,037	7,301	7,383	7,383	7,870	7,343	7,613	
Improve, expand and maintain existing infrastructure,To ensure that all people have access to safe waste disposal,To ensure that the existing housing backlogs are eliminated; To ensure that the existing housing backlogs are eliminated;To ensure that all communities have access to energy sources;To ensure effective facilitation of water and sanitation services to all our communities.	Improve access to basic services by all communities.			7,497	8,410	8,214	8,970	9,072	9,072	9,670	9,022	9,355	
To create a participative and enabling environment in economic activities.	Vibrant economic development and quality services			5,184	5,800	5,665	6,158	6,227	6,227	6,638	6,194	6,422	
To promote mass participation in sports,To promote human rights and social upliftment of vulnerable groups	Healthy and vibrant society												
To ensure transparency and accessible institution.To enhance organizational development in-line with community needs. To ensure a capacitated staff complement.	Responsive and capacitated local government				42,603	41,612	52,367	52,960	52,960	56,453	52,671	54,611	
To have an effective complaints management system,To implement Communication Strategy ,To promote Ward Committee participation,To ensure Functionality of Ward Committees	Improved Customer Satisfaction Levels			34,542	5,691	5,559	8,653	8,751	8,751	9,328	8,703	9,024	
To ensure financial sustainability	Improved & new revenue streams			4,500	4,550	4,444	4,500	4,551	4,551	4,851	4,526	4,693	
To Reduce employee related costs by 2014 to an acceptable level,To create an enabling environment by enhancing sustainable LED	Decrease staff related costs												
Allocations to other priorities				2	43,563	79,782	364,130	178,374	198,217	191,706	191,696	197,576	205,356
Total Revenue (excluding capital transfers and contributions)				1	167,166	220,339	501,418	341,621	363,312	356,801	367,681	361,773	375,598

TABLE 13 MBRR SA5- Reconciliation of IDP strategic objectives and budget (operating expenditure)

KZN212 Umdoni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand												
Good Governance and Public Participation	To effective and Efficient internal and external communication		2,957	2,501	4,616	15,161	14,439	14,439	14,382	14,310	15,097	
Good Governance and Public Participation	To promote Human rights and Social upliftment of Vulnerable group		7,004	7,570	13,337	20,658	16,933	16,933	21,872	23,536	24,830	
Good Governance and Public Participation	To have functional Internal Audit Unit		802	706	2,228	1,094	1,582	1,582	1,583	2,056	2,169	
Basic Service Delivery and Infrastructure	To ensure that Umdoni Communities have Access to energy sources and other		3,374	3,576	4,009	3,518	3,518	3,518	3,096	3,263	3,442	
Local Economic Development	To Promote economic development in order to reduce poverty , inequality ,		2,614	3,665	4,189	6,008	6,004	6,004	7,208	6,617	–	
Cross Cutting Interventions	To facilitate an intergrated approach towards planning for urban and rural communities		1,084	1,377	1,702	3,416	1,814	1,814	3,989	3,586	0	
Cross Cutting Interventions	To monitor and manage proposed buildings under construction		3,386	2,888	3,525	3,739	3,961	3,961	4,487	4,096	–	
Basic Service Delivery and Infrastructure	To ensure provision, upgrading, and maintenance of infrastructure and service that		101,122	115,589	147,945	146,958	178,416	178,416	159,317	174,542	95,949	
Basic Service Delivery and Infrastructure	To ensure that the housing backlog is eliminated		2,825	3,584	5,047	4,489	–	–	2,836	3,750	3,950	
Financial Viability and management	To ensure Financial Sustainability and sound financial principles		22,647	18,627	23,261	30,079	26,702	26,702	36,815	36,791	38,814	
Municipal Transformation and organisational development	to improve HR policy framework that is in line with SALGA best practice and		2,766	4,284	5,133	5,830	5,309	5,309	8,628	9,103	9,103	
Municipal Transformation and organisational development	to establish an efficient and effective ICT environment and infrastructure systems that will		14,587	14,971	31,402	25,801	29,135	29,135	30,111	31,767	29,207	
Allocations to other priorities									2,504	7,493	100,415	
Total Expenditure			1	165,168	179,338	246,395	266,750	287,812	287,812	296,829	320,909	322,977

TABLE 14 MBRR SA6- Reconciliation of IDP strategic objectives and budget (Capital expenditure)

KZN212 Umdoni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Good Governance and Public Participation	To effective and Efficient internal and external communication	A		23	3,005								
Local Economic Development	To Promote economic development in order to reduce poverty , inequality ,	E		175	602	39	2,000	2,000	2,000	-	2,205	-	
Cross Cutting Interventions	To facilitate an intergrated approach towards planning for urban and rural communities	F		11		11	20	20	20	21	22	-	
Cross Cutting Interventions	To monitor and manage proposed buildings under construction	G				18				80			
Basic Service Delivery and Infrastructure	To ensure provision, upgrading, and maintenance of infrastructure and service that	H		14,928	53,497	13,878	72,050	66,232	66,232	50,173	39,558	36,500	
Basic Service Delivery and Infrastructure	To ensure that the housing backlog is eliminated	I		10,688									
Financial Viability and management	To ensure Financial Sustainability and sound financial principles	J		84	27	540	200	200	200	210	222	234	
Municipal Transformation and organisational development	to improve HR policy framework that is in line with SALGA best practice and	K		20		79		5	5				
Municipal Transformation and organisational development	to establish an efficient and effective ICT environment and infrastructure systems that will	L		441	533	3,655	-	6,989	6,989	-	-	-	
		M											
		N											
		O											
		P											
Allocations to other priorities				3									
Total Capital Expenditure				1	26,372	57,665	18,220	74,270	75,446	75,446	50,485	42,008	36,734

2.8 CAPITAL EXPENDITURE DETAILS

TABLE 15-MBRR- TABLE A9 ASSET MANAGEMENT

KZN212 Umdoni - Table A9 Asset Management

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE											
Total New Assets											
Roads Infrastructure	1		25,825	50,239	18,220	6,277	13,961	13,961	15,767	5,838	234
Storm water Infrastructure			17,286	44,411	-	1,021	8,417	8,417	1,100	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	250	33	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	30	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			17,286	44,411	-	1,021	8,417	8,417	1,380	33	-
Community Facilities			1,913	351	-	3,164	3,109	3,109	4,450	2,426	-
Sport and Recreation Facilities			-	-	-	1,200	1,480	1,480	169	510	-
Community Assets			1,913	351	-	4,364	4,589	4,589	4,619	2,936	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			6,626	5,477	11,482	-	-	-	470	445	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			6,626	5,477	11,482	-	-	-	470	445	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	50	50	50	54	22	-
Furniture and Office Equipment			-	-	2,186	591	603	603	1,483	1,148	-
Machinery and Equipment			-	-	1,073	52	52	52	3,857	244	-
Transport Assets			-	-	3,478	200	250	250	3,903	1,009	234
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets											
Roads Infrastructure	2		16,481	7,425	52,511	67,973	61,485	61,485	34,118	31,300	31,500
Storm water Infrastructure			16,481	7,425	52,511	67,973	61,485	61,485	18,918	27,500	31,500
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			16,481	7,425	52,511	67,973	61,485	61,485	18,918	27,500	31,500
Community Facilities			-	-	-	-	-	-	9,600	3,800	-
Sport and Recreation Facilities			-	-	-	-	-	-	5,600	-	-
Community Assets			-	-	-	-	-	-	15,200	3,800	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-

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Total Upgrading of Existing Assets	6	-	-	-	-	-	-	600	4,870	5,000
Roads Infrastructure		-	-	-	-	-	-	-	4,500	5,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	4,500	5,000
Community Facilities		-	-	-	-	-	-	550	320	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	550	320	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	50	50	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	50	50	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4	33,767	51,836	52,511	68,994	69,902	69,902	20,018	32,000	36,500
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	250	33	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	30	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		33,767	51,836	52,511	68,994	69,902	69,902	20,298	32,033	36,500
Community Facilities		1,913	351	-	3,164	3,109	3,109	14,600	6,545	-
Sport and Recreation Facilities		-	-	-	1,200	1,480	1,480	5,769	510	-
Community Assets		1,913	351	-	4,364	4,589	4,589	20,369	7,056	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		6,626	5,477	11,482	-	-	-	520	495	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		6,626	5,477	11,482	-	-	-	520	495	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	50	50	50	54	22	-
Furniture and Office Equipment		-	-	2,186	591	603	603	1,483	1,148	-
Machinery and Equipment		-	-	1,073	52	52	52	3,857	244	-
Transport Assets		-	-	3,478	200	250	250	3,903	1,009	234
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		42,306	57,665	70,731	74,270	75,446	75,446	50,485	42,008	36,734

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EXPENDITURE OTHER ITEMS										
Depreciation	7	31,735	30,452	36,171	36,420	36,000	36,000	40,000	42,000	44,100
Repairs and Maintenance by Asset Class	3	6,385	9,855	20,442	28,351	40,050	32,791	16,475	29,885	19,210
Roads Infrastructure		6,385	9,855	20,442	15,314	29,549	29,549	-	-	-
Storm water Infrastructure		-	-	-	7,094	959	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	3,500	6,300	-	1,000	2,520	2,646
Rail Infrastructure		-	-	-	752	1,552	1,552	6,500	6,825	7,200
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		6,385	9,855	20,442	26,661	38,360	31,101	7,500	9,345	9,846
Community Facilities		-	-	-	-	-	-	4,005	14,126	2,758
Sport and Recreation Facilities		-	-	-	1,690	1,690	1,690	1,637	2,340	2,469
Community Assets		-	-	-	1,690	1,690	1,690	5,642	16,467	5,227
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	2,551	2,698	2,701
Housing		-	-	-	-	-	-	199	761	799
Other Assets		-	-	-	-	-	-	2,750	3,459	3,500
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	11	11	12
Intangible Assets		-	-	-	-	-	-	11	11	12
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	538	566	586
Transport Assets		-	-	-	-	-	-	35	37	39
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		38,120	40,307	56,613	64,771	76,050	68,791	56,475	71,885	63,310
Renewal and upgrading of Existing Assets as % of total capex		39.0%	12.9%	74.2%	91.5%	81.5%	81.5%	68.8%	86.1%	99.4%
Renewal and upgrading of Existing Assets as % of deprec		51.9%	24.4%	145.2%	186.6%	170.8%	170.8%	86.8%	86.1%	82.8%
R&M as a % of PPE		1.3%	1.9%	2.9%	4.5%	6.4%	5.2%	2.3%	4.2%	2.7%
Renewal and upgrading and R&M as a % of PPE		4.0%	3.0%	10.0%	12.0%	13.0%	12.0%	7.0%	8.0%	7.0%

2.9 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The City is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is yet still to be compiled and will be finalised after approval of the 2018/19 MTREF in May 2018 directly aligned and informed by the 2018/19 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.



2.10 OTHER SUPPORTING DOCUMENTS

Table 16 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN212 Umdoni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

KZN12 Zindum - Supporting Table SA1 Supporting detail to Budgeted Financial Performance											
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		78 395	83 216	88 491	92 304	93 515	93 515	93 515	104 555	110 306	116 373
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		9 404	11 451	11 976	12 000	12 000	12 000	12 000	12 706	13 405	14 143
Net Property Rates		68 991	71 765	76 515	80 304	81 515	81 515	81 515	91 849	96 901	102 230
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6										
Total refuse removal revenue		7 197	8 136	8 554	9 096	9 091	9 091	9 091	9 760	10 248	10 760
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	608	641	676	
Net Service charges - refuse revenue		7 197	8 136	8 554	9 096	9 091	9 091	9 091	9 152	9 607	10 084
Other Revenue by source											
Total 'Other' Revenue	1	4 365	8 742	4 687	35 680	26 386	26 386	26 386	35 066	36 973	39 006
EXPENDITURE ITEMS:											
Employee related costs	sub-total	5									
Less: Employees costs capitalised to PPE		61 650	62 915	73 272	91 798	93 317	93 317	93 317	115 747	123 534	121 361
Total Employee related costs	1	61 650	62 915	73 272	91 798	93 317	93 317	93 317	115 747	123 534	121 361
Contributions recognised - capital											
Total Contributions recognised - capital		-	-	-	20 671	21 635	21 635	21 635	21 067	11 360	4 506
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		-	30 452	36 171	36 420	36 000	36 000	36 000	39 000	42 000	44 100
Lease amortisation		29 417									
Capital asset impairment		2 318									
Depreciation resulting from revaluation of PPE		-									
Total Depreciation & asset impairment	10	31 735	30 452	36 171	36 420	36 000	36 000	36 000	39 000	42 000	44 100
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		-	-	-	3 963	3 963	3 963	3 963	4 346	4 569	4 774
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	3 963	3 963	3 963	3 963	4 346	4 569	4 774
Contracted services											
sub-total	1	15 554	18 089	26 094	23 996	46 596	46 596	46 596	68 270	78 448	77 582
Allocations to organs of state:											
Total contracted services		15 554	18 089	26 094	23 996	46 596	46 596	46 596	68 270	78 448	77 582
Other Expenditure By Type											
Total 'Other' Expenditure	1	47 535	58 681	96 510	95 967	91 945	91 945	91 945	49 070	50 666	52 398



2.11 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, _____, Acting Municipal Manager of UMDONI MUNICIPALITY, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No.56 of 2003 and, to the extent as indicated in the budget documents, the regulations made under this Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME:.....

MUNICIPAL MANAGER OF: UMDONI MUNICIPALITY.

SIGNATURE: _____

DATE: _____.